



NEWS RELEASE

## **New Fidelity® Research Finds Almost One in Four Advisors Switched Firms in the Past Five Years, with Movers Experiencing Nearly Unanimous Satisfaction**

4/9/2018

- Movement to independent channels and team movement trends upward, as does peer influence
- More than half of advisors have considered switching firms in the past five years
- Majority of advisors undeterred in consideration to switch by recent news of firms leaving the Broker Protocol

BOSTON — Fidelity Clearing & Custody Solutions®, the division of Fidelity Investments that provides clearing and custody to registered investment advisors (RIAs), broker-dealer firms, family offices, retirement recordkeepers and banks, today released the findings of its latest Advisor Movement Study.<sup>1</sup> The study explored trends in advisor movement and the feelings of advisors who have switched or are currently switching firms, whom Fidelity identifies as "Movers."

The study found that more than half (56 percent) of advisors considered switching firms in the past five years, and nearly one in four (23 percent) actually made a move in that timeframe. Nearly all of those who switched (92 percent) are happy with their decisions to do so.

Movement to independent channels is increasing. RIAs and independent broker-dealers are the top destinations, with 64 percent of Movers choosing one of these channels – up from 50 percent of Movers in Fidelity's 2015 Advisor Movement research.

"Advisors are increasingly looking for the freedom to realize their unique visions for their businesses, and the opportunity to offer clients a higher level of customized service and advice," said Tricia Haskins, vice president, practice management & consulting, Fidelity Clearing & Custody Solutions. "They believe this will result in greater opportunities for growth and contribute to continued success in the future."

The study also found that Movers are now transferring more assets when they move to a new firm: \$75 million in

median assets in 2017 versus \$37.5 million in Fidelity's 2012 research.<sup>2</sup>

#### Advisors' Peers are Becoming More Influential

Overall, Movers' peers are the most influential people in their decisions to switch firms—advisors on their team, former colleagues who moved or advisors who work for the firm are the top influencers in their decisions to switch. The influence of peers is growing—63 percent of Movers identified those groups as influential to their decision in 2017, versus 50 percent in 2012.

What's more, movement as a team increased – almost half of Movers (47 percent) moved along with a team in 2017, versus 34 percent in 2012. Advisors moving to an independent broker-dealer more often depart as a team versus other Movers.

"Articulating how a firm will support advisor teams during a move is an important piece of the recruitment strategy," said Charlie Phelan, vice president, practice management & consulting, Fidelity Clearing & Custody Solutions. "Fear of the unknown tends to be a significant concern when advisors are thinking about moving, so explaining how firms help support advisors during and after the transition is a critically important aspect of the recruiting process."

#### Movers Identified a Variety of Benefits to Switching

##### Impact of the Industry Landscape

Regulatory uncertainty due to the Department of Labor's Investment Advice Rule was on advisors' minds when surveyed. Nearly a quarter (24 percent) of Movers mentioned it when describing the market landscape when they considered switching, as did 47 percent of advisors who had seriously considered or are still considering a move.

Fidelity also surveyed advisors on the recent decision of some firms to leave the Broker Protocol.<sup>3</sup> After the news, the majority of advisors who recently switched or are considering switching said it would have only a moderate or no impact on their decision. What's more, just three in 10 advisors felt that, longer term, the news will keep advisors from switching firms. More details are available in the "**How Are Advisors Feeling about the Broker Protocol Now?**" infographic.

#### Characteristics of Movers Compared to Other Advisors

Fidelity will further explore advisor movement at the company's 11th Annual Recruiters Summit being held this week in Boston.

More about the Advisor Movement Study and related insights, including details on specific channel Movers and tips on recruiting these types of advisors, are **available here**.

## About Fidelity Investments

Fidelity's mission is to inspire better futures and deliver better outcomes for the customers and businesses we serve. With assets under administration of \$6.9 trillion, including managed assets of \$2.5 trillion as of February 28, 2018, we focus on meeting the unique needs of a diverse set of customers: helping more than 27 million people invest their own life savings, 23,000 businesses manage employee benefit programs, as well as providing more than 12,500 financial advisory firms with investment and technology solutions to invest their own clients' money. Privately held for 70 years, Fidelity employs more than 40,000 associates who are focused on the long-term success of our customers. For more information about Fidelity Investments, visit <https://www.fidelity.com/about>.